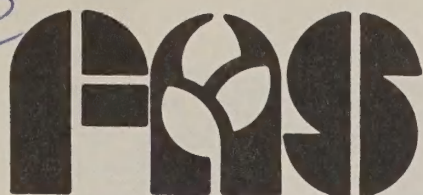


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REPORT

United States
Department of
Agriculture

Foreign
Agricultural
Service

Washington, D.C. 20250

7810620

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR-47-81

WASHINGTON, Nov. 25--The Foreign Agricultural Service of the U.S. Department of Agriculture today announced the following recent developments in world agriculture and trade.

GRAIN AND FEED

In the SOVIET UNION, officials at the recent Central Committee plenum acknowledged a poor 1981 grain crop--the third consecutive bad harvest. However, no actual production data were given. A few republics--Kazakhstan, the Ukraine, Belorussia, Lithuania, and Azerbaijan--were extolled by the officials for meeting plan targets despite extremely unfavorable weather conditions. Grain sales to state procurement centers from Kazakhstan and the Ukraine totaled 15.7 million and 13.5 million tons, respectively, each about 4 percent below average sales for 1976-80. The current USDA estimate for total 1981 Soviet grain production is 175 million tons--61 million tons below the Soviet target and the smallest crop since 1975.

The USSR's chief planner, Nikolai Baibakov, announced at the Central Committee plenum that despite the poor 1981 crop, the country was still hoping to produce an average of 239 million tons of grain during the eleventh Five-Year Plan, 1981-85.

SOUTH AFRICA may become the major U.S. competitor in the Japanese corn market. A record corn crop in South Africa and favorable shipping rates have boosted 1981/82 estimated Japanese imports of South African corn to about 2 million tons. Last year's imports reached about 750,000 tons. The previous high was about 1.2 million in 1975/76.

Shipping rates from South Africa are favorable because of strong competition for cargoes returning to Japan. Also, much of the grain that Japan imports must be transshipped to local ports once it reaches Japan. South African corn arrives in smaller ships which can unload entirely at local ports, thereby saving transshipment costs of about \$10 to \$15 per ton. Recently, the landed price of South African corn has been so favorable that feed manufacturers have begun replacing some U.S. corn with South African supplies. Additionally, much of the South African corn is ear-marked for industrial use and the Japanese corn-starch industry has preferred South African corn because of its higher starch content, lower moisture and lighter color. All these factors indicate that Japanese imports of South African corn are likely to increase in the current year.

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MARY FRANCES CHUGG, Editor. Tel (202) 382-9331. Additional copies may be obtained from FAS Information Services Staff, 5918-South, Washington, D.C. 20250. Tel (202) 447-7937.

In SOUTH AFRICA, a delayed rainy season, with accompanying unseasonably hot, dry conditions, has likely reduced the wheat outturn in some growing regions. Current USDA estimates place the crop at 1.75 million tons. Because of the production shortfall, South Africa is expected to require approximately 200,000 tons of U.S. wheat imports. Recent reports indicate that imports may reach 300,000 tons if the crop continues to deteriorate. South Africa imported about 200,000 tons of U.S. wheat in 1980/81, after a drought-reduced wheat crop of approximately 1.5 million tons.

OILSEEDS AND PRODUCTS

U.S. SOYBEAN disappearance (inspections for export plus National Soybean Processors Association crushings) during the first eleven weeks of the 1981/82 marketing year, which began Sept. 1, rose to 11.5 million tons--14.5 percent above the same period a year ago and 3.9 percent above the record set in 1979/80. The data are as follows in millions of tons:

	Sept. 1 - Oct. 12		
	<u>1979</u>	<u>1980</u>	<u>1981</u>
Exports	5.0	3.9	5.3
Crushings	<u>6.0</u>	<u>6.1</u>	<u>6.2</u>
Total disappearance	11.0	10.0	11.5

For the week ending Nov. 12, U.S. soybean disappearance rose to a record volume of 1.6 million tons--10 percent above the same period a year ago and 2 percent above the weekly record set during the week ending Nov. 1, 1979. Most of the gain for the week ending Nov. 12 reflected exports which rose to a record large weekly volume of nearly 1 million tons.

The SOVIET UNION'S 1981 sunflower seed crop will be about the same as last year's 4.65-million-ton crop, according to Soviet agricultural sources. Last year's short crop was due to wet weather throughout the summer and fall, and the failure to harvest at the optimum time. While this year's harvest conditions were far more favorable, extreme drought at the flowering stage caused the reduction. The USDA estimate of the 1981 Soviet sunflower crop remains at 4.8 million tons.

TOBACCO

POLAND's State Board of Prices raised prices for cigarettes, smoking tobacco and matches an average of 100 percent on Oct. 5. Price increases for smoking tobacco and matches ranged from 100 percent to 166.7 percent.

Among the most expensive cigarette brands are Carmen and AB, both of which contain some U.S. tobacco. Carmen sells for 65 Zlotys (US \$1.90) per pack of twenty cigarettes, reflecting a price increase of 33 Zlotys or 103 percent. A package of 20 AB cigarettes now costs 55 Zlotys (US \$1.62) after an increase of 33 Zlotys or 150 percent. Less expensive brands also are available at 11 Zlotys (33 U.S. cents).

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Cigarette shortages have existed in Poland since February due to production cutbacks, which resulted from lack of manufacturing materials, as well as employee's refusal to work overtime and shortage of imported material because of foreign exchange restrictions.

In response to the severe shortage, the government established cigarette rationing. But, as cigarettes were increasingly in demand for use in barter, the government raised prices in order to increase revenues and reduce expenditures. This price rise is expected to bring 25 billion Zlotys (US \$740 million) in revenue over the next year.

DAIRY, LIVESTOCK AND POULTRY

MEXICO's broiler production continued to show strong growth in 1981 (an estimated 10 percent over 1980) as a result of sufficient feed supplies and strong domestic demand for chicken meat. The increase in demand is due partly to high red meat prices. Sufficient feed supplies should continue in 1982 as the 1981 corn crop is anticipated to be up 6 percent from last year's record of 10.4 million tons. Based on these conditions, broiler production is forecast to expand 8 percent in 1982.

Although broiler producers have responded to positive economic factors and to adequate feed supplies, egg output has not kept pace. Egg production continues to be hindered by the negative influence of government-imposed ceiling prices on eggs. Despite tight margins, egg producers are expected to show production increases of 3 percent in 1981 and 5 percent in 1982 over year earlier levels. With an expanding economy, the anticipated growth in the egg industry does not appear sufficient to keep pace with potential demand.

HORTICULTURAL AND TROPICAL PRODUCTS

The INTERNATIONAL COFFEE ORGANIZATION Executive Board will meet in London Dec. 3-4. Among matters to be considered are requests from Ecuador and Peru for redistribution of their export quotas for coffee year 1981/82. The Executive Board will report on the market situation, exports under quotas in coffee year 1980/81, matters related to the operation of the quota system for 1981/82, the operation of the controls system and on proposals for modifications to the Agreement to be applied under any extension of the 1976 International Coffee Agreement beyond Oct. 1, 1983.

The eighth International WORLD CONFERENCE ON COCOA RESEARCH in Cartagena, Colombia Oct. 18-23 was organized by the Alliance of Cocoa Producing Countries and hosted by the Colombian Cocoa Growers Federation. In addition to producing countries, representatives from consuming countries also attended and expressed considerable interest in helping producing countries improve cocoa production and marketing. The goal is to make available a greater volume and better quality of cocoa beans and products on the world market.

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PERU's production of cocoa beans continued to expand with 1981 output estimated at 9,000 tons, compared with only 3,400 tons five years ago. Although, output is small compared with large producing countries, Peru's doubling of output has been spurred by expansion in response to higher producer prices, increased availability of credit, free marketing of cocoa beans to local processors and growing export demand. Currently, about 14,000 hectares are in production of which 8,000 hectares are higher yielding, densely planted new areas.

GHANA has announced that the cocoa producer's price for the 1981/82 season will be 360 Cedis per 30 kilograms, a jump of 200 percent from the 120 Cedis paid during the 1980/81 harvest.

The UNITED KINGDOM's production of centrifugal sugar (raw value) in 1981/82 is estimated at 1.14 million tons from a beet crop of 6.86 million tons. The sugar content of beets processed from this season's crop is estimated at 16.6 percent sugar and root yield at 32.8 tons per hectare. This compares with last season when recovered sugar was estimated at 15.3 percent and beet yield at 34.2 tons per hectare. The U.K.'s relatively dry, sunny 1981 summer provided conditions which boosted raw sugar content, but at the same time reduced beet size.

In 1981/82, the United Kingdom is expected to account for 8 percent of the European Community's (EC) total centrifugal sugar output, currently estimated by USDA at 14.74 million tons. The 1981 beet crop's sugar content, placed at over 16 percent, is among the highest in the EC this season.

Area yield and production of sugar beets in the United Kingdom for specified years are as follows:

	<u>1978/79</u>	<u>1979/80</u>	<u>1980/81</u>	<u>1981/82</u>
Harvested area (1,000 ha)	209	214	212	209
Beet yield per ha (tons)	39.0	33.0	34.2	32.8
Beet production for sugar (1,000 tons)	8,150	7,100	7,250	6,855
Centrifugal sugar, raw value (1,000 tons)	1,111	1,154	1,106	1,140
Recovered sugar (percent)	13.6	16.3	15.3	16.6
Centrifugal sugar, raw value, yield per ha (1,000 tons)	5.32	5.39	5.22	5.45

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In JAPAN, the area devoted to production of satsumas (Unshu Mikan or Japanese mandarin oranges) has been declining in recent years as a result of a joint government-industry adjustment program designed to reduce total satsuma tree areas to 120,000 hectares by 1983. Bearing area in 1981 is estimated currently at 128,100 hectares, down 5 percent from 1980.

Despite the downturn in bearing area, production of satsumas in 1981/82 has been officially estimated at 3,145,000 tons (up from 2,892,000 tons in 1980/81) by the Japanese Ministry of Agriculture. However, a fruit thinning program carried out this past summer by the growers could lower actual output to 3,050,000 tons. The 1981/82 harvests of navel oranges, Iyokan and Hassaku hybrids are forecast at 43,000 tons, 105,000 tons and 230,000 tons, respectively--all substantially above the volumes harvested during the 1980/81 season.

In COLOMBIA, an outbreak of banana disease called Sigatoka Negra has been reported by the U.S. agricultural attache in Bogota. The outbreak was detected in Uraba, near the Panamanian border--an area that produces more than 80 percent of the bananas for export. The disease reportedly was confirmed Oct. 26.

About 40 percent of the Colombian banana exports are shipped to the United States. In calendar 1980, U.S. banana imports from Colombia totaled 210,816 tons.

The economic effects of this disease can be far-reaching if not brought under control quickly. Foilage is destroyed, reducing yield and quality of the fruit. Also, ripening of the fruit once harvested is speeded, which renders the affected bananas unmarketable. Reportedly, Sigatoka is capable of spreading 20 kilometers (9 miles) per week.

Measures being taken by Colombia to counteract Sigatoka are as follows: Quarantine of the area, a charge of 25 U.S. cents per box (20 kilograms) on export bananas to finance disease control program, formation of a national council for disease control and an appeal for assistance to the European Community (EC).

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Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

:Item	: Nov. 25, 1981	: Change from previous week	: A year ago
	\$ per m. ton	\$ per bu.	¢ per bu.
Wheat			
Canadian No. 1 CWS-13.5%.....	<u>1/</u>	<u>1/</u>	<u>1/</u>
U.S. No. 2 DNS/NS: 14%.....	206.00	5.61	+22
U.S. No. 2 DHW/HW: 13.5%.....	212.00	5.77	-1
U.S. No. 2 S.R.W.....	183.00	4.98	-14
U.S. No. 3 H.A.D.....	204.00	5.55	+16
Canadian No. 1 A: Durum.....	<u>1/</u>	<u>1/</u>	<u>1/</u>
Feed grains:			
U.S. No. 3 Yellow Corn.....	126.75	3.22	+3
U.S. No. 2 Sorghum <u>2/</u>	134.00	3.40	0
Feed Barley <u>3/</u>	152.00	3.31	+13
Soybeans:			
U.S. No. 2 Yellow.....	257.00	6.99	+5
Argentine 4/.....	<u>1/</u>	<u>1/</u>	<u>1/</u>
U.S. 44% Soybean Meal (M.T.)..	230.00	--	+2.00 <u>5/</u>
EC Import Levies			
Wheat <u>6/</u>	75.60	2.06	-3
Barley.....	80.25	1.75	-10
Corn.....	105.90	2.69	-8
Sorghum.....	94.95	2.41	-3

1/ Not available.

2/ Optional delivery: U.S. or Argentine Granifero Sorghum.

3/ Optional delivery: U.S. or Canadian Feed Barley.

4/ Optional delivery: Brazil yellow.

5/ Dollars per metric ton.

6/ Durum has a special levy.

Note: Basis December delivery.

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